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**TWELFTH WARD SAVE OUR COMMUNITY
ORGANIZATION, INC.**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other interested public officials. The report is available for public inspection at the Baton Rouge office of the Department of State Police, or, where appropriate, at the office of the parish clerk of court.

Release Date 1-22-03

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Member
American Institute of
Certified Public Accountants
Society of Louisiana
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Michael B. Bruno, CPA
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Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
**Twelfth Ward Save Our Community
Organization, Inc.**

We have audited the accompanying statement of financial position of **Twelfth Ward Save Our Community Organization, Inc.** (a not-for-profit corporation) as of June 30, 2002 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of **Twelfth Ward Save Our Community Organization, Inc. (the Organization)**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Twelfth Ward Save Our Community Organization, Inc.** as of June 30, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
**Twelfth Ward Save Our Community
Organization, Inc.**
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2002 on our consideration of **Twelfth Ward Save Our Community Organization, Inc.**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of **Twelfth Ward Save Our Community Organization, Inc.** taken as a whole. The accompanying schedule of grant activity is presented for purposes of additional analysis and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2002

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2002

ASSETS

Current Assets:

Cash	\$ 47,686
Accounts receivable	1,650
Grants receivable	<u>10,409</u>

Total current assets 59,745

Property and equipment, net (NOTE 3) 153,627

Total assets \$213,372

LIABILITIES AND NET ASSETS

Current Liabilities:

Current portion of note payable (NOTE 4)	\$ 8,487
Accounts payable	16,429
Accrued expenses	<u>482</u>

Total current liabilities 25,398

Note payable (NOTE 4) 49,310

Total liabilities 74,708

CONTINGENCIES (NOTES 6 and 7)

Net assets, unrestricted 138,664

Total liabilities and net assets \$213,372

The accompanying notes are an integral part of this financial statement.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002

Revenue and Support:

Grantor-State of Louisiana	\$635,578
Rental income	25,200
Other revenue	<u>2,682</u>
 Total revenue and support	 <u>663,460</u>

Expenses:

Program services:

Milan Reading and Math program	310,766
Martin Luther King Homemaker Services program	125,000
Milan - Broadmoor Senior Center program	85,106
Inner City Minority Aids Awareness and Outreach program	104,501
Louisiana Stadium and Exposition District Legislative program	<u>5,323</u>

Total program services	<u>630,696</u>
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Support services:

Management and general	<u>13,455</u>
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Total expenses	<u>644,151</u>
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Change in net assets	19,309
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Net assets at beginning of year	<u>119,355</u>
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Net assets at end of year	<u><u>\$138,664</u></u>
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The accompanying notes are an integral part of this financial statement.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2002

	LOUISIANA STADIUM AND EXPOSITION DISTRICT LEGISLATIVE PROGRAM	TREASURER OF THE STATE OF LOUISIANA AIDS AWARENESS AND OUTREACH PROGRAM	OFFICE OF URBAN AFFAIRS AND DEVELOPMENT MILAN READING AND MATH PROGRAM	NEW ORLEANS COUNCIL ON AGING			TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL EXPENSES
				MARTIN LUTHER KING HOMEMAKER SERVICES PROGRAM	MILAN BROADMOOR SENIOR CENTER PROGRAM				
Salaries and wages	\$ 2,400	\$ -0-	\$220,866	\$88,005	\$ 61,014		\$372,285	\$ -0-	\$372,285
Fringe benefits	-0-	-0-	17,271	7,162	6,429		30,862	-0-	30,862
Supplies	1,920	2,500	4,988	3,349	1,581		14,338	1,284	15,622
Insurance	-0-	-0-	1,319	1,433	1,281		4,033	-0-	4,033
Utilities	-0-	-0-	2,593	5,541	-0-		8,134	-0-	8,134
Contractual services	-0-	78,896	30,210	12,254	8,210		129,570	4,600	134,170
Maintenance and repairs	383	-0-	-0-	-0-	383		766	110	876
Telephone	-0-	-0-	5,482	3,354	1,551		10,387	-0-	10,387
Postage and shipping	-0-	68	108	-0-	143		319	-0-	319
Interest expense	-0-	-0-	-0-	-0-	-0-		-0-	1,782	1,782
Travel and automobile	540	168	185	1,902	-0-		2,795	-0-	2,795
Field trips	-0-	-0-	-0-	-0-	443		443	-0-	443
Occupancy	-0-	7,200	18,000	-0-	3,386		28,586	-0-	28,586
Other	80	15,669	9,744	2,000	683		28,178	-0-	28,178
Total expenses before depreciation	5,323	104,501	310,766	125,000	85,106		630,696	7,776	638,472
Depreciation	-0-	-0-	-0-	-0-	-0-		-0-	5,679	5,679
Total expenses	\$ 5,323	\$104,501	\$310,766	\$125,000	\$ 85,106		\$630,696	\$13,455	\$644,151

The accompanying notes are an integral part of this financial statement.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002

Cash Flows from Operating Activities:	
Change in net assets	\$ 19,309
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,679
Changes in assets and liabilities:	
Increase in other assets	(932)
Decrease in accounts receivable	9,186
Increase in grant receivable	(10,409)
Decrease in accrued expenses	(408)
Increase in accounts payable	<u>2,048</u>
Net cash provided by operating activities	<u>24,473</u>
Cash Flows from Investing Activities:	
Repayments on note payable	<u>(8,218)</u>
Net cash used in financing activities	<u>(8,218)</u>
Increase in cash	16,255
Cash, June 30, 2001	<u>31,431</u>
Cash, June 30, 2002	<u>\$ 47,686</u>
Interest paid	<u>\$ 1,782</u>

The accompanying notes are an integral part of this financial statement.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization and Purpose:

Background

The **Twelfth Ward Save Our Community Organization, Inc.** (the "**Organization**") is a not-for-profit corporation organized under the laws of the State of Louisiana. The purpose for which the **Organization** is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

General

As of June 30, 2002, the **Organization** administered the following programs:

- Milan Reading and Math Program;
- Martin Luther King Homemaker Services Program;
- Milan-Broadmoor Senior Center Program; and
- Inner City Minority Aids Awareness and Outreach Program.

A brief description of each program follows:

- Milan Reading and Math Program

The Milan Reading and Math (Milan Reading /Math) Program was established in 1977. The main purpose of the program is to provide plans of study in reading and mathematics to enrollees of the program. Also, the program provides assistance to students in reading, mathematics, homework assistance, computer literacy and other special projects that students may have to do for school. The main goals are to help the students advance in their school work and advance in their grade level.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Organization and Purpose, Continued:

General, Continued

- Martin Luther King Homemaker Services Program

The Martin Luther King Homemaker Services (MLK Homemakers) Program began in 1992. The major activities of the program consist of performing routine household tasks including dusting, washing dishes, sweeping, running errands, shopping, and some other services needed or requested by clients. The program provides companionship and any other socialization or cleaning activities that will make the clients daily living easier.

- Milan-Broadmoor Senior Center Program

The Milan-Broadmoor Senior Center (Milan Area Senior) Program was established in 1977. The program was created to facilitate and actively administer to its many elderly their need of supportive services and activities which will enhance their dignity, foster their independence and encourage community involvement. The program provides transportation for seniors to and from the center to receive a well balanced mid-day meal. Other activities are planned for socialization, health related, recreational and educational activities.

- Inner City Minority Aids Awareness and Outreach Program

The Inner City Minority Aids Awareness and Outreach Program began in 1999. The program is an educational outreach that aims to educate all members of the community especially inner city minority in the prevention of HIV/AIDS. The primary goal of the program is to distribute brochures and other educational materials in shopping centers, markets and churches. The program also organizes a giant rally for members of the community.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Organization and Purpose, Continued:

General, Continued

- Louisiana Stadium and Exposition District Legislative Program

The Louisiana Stadium and Exposition District Legislative Program was created for improving the building which houses other programs of **the Organization** through the funding received from the State of Louisiana, Hotel/Motel Tax as provided under Senate Bill No. 1108, now Act 1380. The purpose of the program is to make the building safer and more secure for program participants and employees of **the Organization**. Funding is used for installation of a security camera system, a fire alarm system, an air conditioning system and repairs to the building.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of **the Organization** are prepared on the accrual basis. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.

Contributions

Contributions are recognized when the donor makes a promise to give to the **Organization** that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine the uncollectibility of unconditional promises receivable. The allowance is based on prior year's experience and management's analysis of specific promises made.

Contributed Equipment

Contributed equipment is recorded at fair value at the date of donation. If a donor stipulates how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of equipment are recorded as unrestricted support.

Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Allocation of Functional Expenses, Continued

Accordingly, program and support service expenses are specifically identified with or allocated to **the Organization's** various functions. Expenses requiring allocation include services provided by **the Organization's** management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Financial Statement Presentation

The financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires **the Organization** to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under SFAS No. 117, **the Organization** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, **the Organization** is required to present a statement of cash flows. As permitted by this statement, **the Organization** has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the required classes of net assets. At June 30, 2002, **the Organization** has no temporarily restricted, or permanently restricted net assets.

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts have been determined by **the Organization** using available market information and appropriate valuation methodologies.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

The Organization considers the carrying amounts of cash, note payable, accounts payable and accrued expenses to approximate fair value.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Revenues and Support Recognition

Revenues received under government grant programs are recognized when earned. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 3 - Property and Equipment:

Property and equipment consisted of the following at June 30, 2002:

Land	\$ 25,500
Building and improvements	140,752
Furniture and equipment	118,802
Automobile	<u>65,950</u>
	351,004
Less accumulated depreciation	<u>(197,377)</u>
Total	<u>\$ 153,627</u>

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Note Payable:

A summary of the note payable as of June 30, 2002 is as follows:

3% note due in 15 annual installments of \$10,000, including principal and interest, secured by the building	\$57,797
Less: current portion	<u>(8,487)</u>
Total	<u>\$49,310</u>

The principal payments due on the note payable for the next five years are as follows:

<u>Year Ended June 30,</u>	
2003	\$ 8,487
2004	8,742
2005	9,004
2006	9,274
Subsequent to 2006	<u>22,290</u>
	<u>\$57,797</u>

NOTE 5 - Commitments:

Rental expenses resulting from facility operating leases approximate \$25,200 for the year ended June 30, 2002.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Commitments, Continued:

The future minimum lease payments under noncancelable operating leases as of June 30, 2002, that have remaining lease terms within a year amounted to \$25,200.

The Organization has entered into contractual arrangements with certain individuals to provide operational assistance, tutorial, self-development, and recreational assistance. Such contracts are generally for six (6) to twelve (12) month periods.

NOTE 6 - Contingencies:

The Organization is a recipient of grants from State funds. These grants are governed by various State guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants is under the control of **the Organization** and is subject to audit and/or review by the applicable funding sources. Any grant or award funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

At June 30, 2002, approximately ninety-six (96) percent of **the Organization's** operating support is derived from grants.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Risk Management:

The Organization is exposed to various risk of loss related to torts; theft of; damage to and destruction of assets for which **the Organization** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated.

NOTE 8 - Concentration of Credit Risk:

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

SUPPLEMENTARY INFORMATION

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
SCHEDULE OF GRANT ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2002

<u>STATE OF LOUISIANA</u>	<u>PROGRAM NAME</u>	<u>CONTRACT PERIOD</u>	<u>GRANT REVENUE</u>	<u>EXPENSES</u>
Direct Programs: Treasurer of the State of Louisiana	Inner City Minority Aids Awareness and Outreach	07/01/01--06/30/2002	\$100,000	\$ 104,501
Office of Urban Affairs and Development	Milan Reading and Math Program	07/01/01--06/30/2002	<u>310,578</u>	<u>310,766</u>
Total Direct Programs			<u>410,578</u>	<u>415,267</u>
Passed through Programs: New Orleans Council on Aging	Milan-Broadmoor Senior Center Program	07/01/01--06/30/2002	85,000	85,106
New Orleans Council on Aging	Martin Luther King Homemaker Services Program	07/01/01--06/30/2002	125,000	125,000
Louisiana Stadium and Exposition District	Louisiana Stadium and Exposition District Legislative Program	07/01/01--06/30/2002	<u>15,000</u>	<u>5,323</u>
Total Passed through Programs			<u>225,000</u>	<u>215,429</u>
Total State of Louisiana Programs			<u>\$635,578</u>	<u>\$ 630,696</u>

See Accompanying Independent Auditors' Report and Notes to Financial Statements.



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Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
**Twelfth Ward Save Our Community
Organization, Inc.**

We have audited the financial statements of **Twelfth Ward Save Our Community Organization, Inc. (the Organization)**, as of and for the year ended June 30, 2002 and have issued our report thereon dated December 30, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the **Organization's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

To the Board of Directors
Twelfth Ward Save Our Community
Organization, Inc.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors and the management of Twelfth Ward Save Our Community Organization, Inc., and for filing with the regulatory agencies, and the pass-through entity and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2002

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

I. SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: **unqualified opinion.**
- B. Reportable conditions in internal control were disclosed by the audits of the financial statements: **none reported** material weaknesses: **no.**
- C. Noncompliance which is material to the financial statements: **no.**
- D. Reportable conditions in internal control over major programs: **not applicable** material weaknesses: **not applicable.**
- E. The type of report issued on compliance for major programs: **not applicable.**
- F. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **not applicable.**
- G. Major programs: **not applicable.**
- H. Dollar threshold used to distinguish between Type A and Type B programs: **not applicable.**
- I. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **not applicable.**
- J. A management letter was issued: **no.**

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2002

**II. FINDING RELATING TO THE FINANCIAL STATEMENTS REPORTED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

No matters reported.

III. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Not applicable.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATUS OF PRIOR YEAR'S FINDINGS AND REPORTABLE CONDITIONS

1. **INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS**

No matters reported.

2. **INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AWARDS**

No prior year comments reported.

3. **MANAGEMENT LETTER**

No matters reported.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

EXIT CONFERENCE

The audit report was discussed with representatives of the **Organization** on December 28, 2002. Those persons participating in the discussion were:

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Ms. Sharon Delong -- Executive Director

Mr. Charles F. Webb, CPA -- Accountant

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA -- Engagement/Managing Partner

Mr. Joseph A. Akanji, CPA -- Engagement Manager